GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1706
ANSWERED ON:08.08.2006
CLOSURE OF BIG INDUSTRIES
Gangwar Shri Santosh Kumar

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of the industries both in public and private sector closed down during the last three years in the country, particularly in Uttar Pradesh;

(b) whether the Government has conducted any study to assess the reasons for their closure;

(c) if so, the details thereof; and

(d) the steps taken by the Government for revival of these industries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR)

(a): The data on closed industrial units in the country is compiled by Labour Bureau, Shimla under the Ministry of Labour and Employment. As per the information available with the Labour Bureau, 9 units in the public sector and 385 units in the private sector were closed during the period 2003-05. Out of these, 6 units were closed in the public sector and 49 units were closed in the private sector in Uttar Pradesh. The State-wise number of industrial units closed during the last three years, as per information available with the Labour Bureau, is at Annexure.

(b) &(c): Labour Bureau has not conducted any study to assess the reasons for closures of units. As per the information collected under the Industrial Disputes Act, permanent closures are due to various reasons such as industrial disputes, financial stringency, shortage of raw materials and power, natural calamities, trade union problems, etc. As per the Board of Industrial and Financial Reconstruction, the sick industrial companies referred to them attribute change in Government policies, managerial problems, production and technical problems, marketing problems, financial problems, lack of adequate infrastructure, delay in sanction and disbursement of Term Loan by financial institutions and banks and high cost of interest as the reasons for their sickness/closure.

(d): Besides providing a policy regime that facilitates and fosters growth and development of industries, steps taken for revival of sick industrial units, inter-alia, include setting up of Board of Industrial and Financial Reconstruction (BIFR) and issue of guidelines by Reserve Bank of India to banks for financial support and amalgamation of sick units with healthy units. Wherever feasible rehabilitation schemes are sanctioned for the revival of the units registered with the BIFR which, inter alia, include restructuring of the capital, induction of fresh funds by the promoters, Government assistance for public sector units, merger with other companies, relief and concessions in the form of rescheduling of dues by Financial Institutions, banks and Government and change of management.

Annexure

Annexure referred to in reply to Lok Sabha Unstarred Question No.1706 for answer on 8th August, 2006.

State-wise list of industrial units closed

Sl.No.	State	2003		2004		2005	
		Public Sector	Private Sector	Public Sector	Private Sector	Public Sector	Private Sector
1	Andaman & Nicobar Islands						
2	Andhra Pradesh	2		1		1	
3.	Arunachal Pradesh						
4	Assam						
5	Bihar	2		1			
6	Chattisgarh						
7	Chandigarh						
8	Dadra & Nagar Haveli						
9	Daman & Diu						
10	Goa	2		1	2		
11	Gujarat	39		32	7		
12	Haryana	1	1	4	2		

13 Himachal Pradesh 1
14 Jammu & Kashmir 3 1
15 Jharkhand 6 3 1
16 Karnataka 6 9 8
17 Kerala 5 8 1
18 Lakshadweep
19 Madhya Pradesh
20 Maharashtra
21 Manipur 1
22 Meghalaya
23 Mizoram
24 Nagaland
25 NCT of Delhi 3
26 Orissa 3 2
27 Pondicherry 6
28 Punjab 1
29 Rajasthan 2 1
30 Sikkim
31 Tamil Nadu
32 Tripura 22 1 99 45
33 Uttar Pradesh 14 5 22 1 13
34 Uttaranchal
35 West Bengal 1 2
Total 2 117 6 187 1 81